

Service Date: October 31, 1996

Department Of Public Service Regulation
Before The Public Service Commission
Of The State Of Montana

IN THE MATTER of the Application)	UTILITY DIVISION
for Authority of Communications)	
Network Corporation to Transfer)	DOCKET NO. D96.10.169
Assets to WorldCom Network)	
Services, Inc.)	DEFAULT ORDER NO. 5953

BACKGROUND

On October 8, 1996, WorldCom Network Services, Inc.d/b/a WilTel Network Services (WilTel) filed an application with the Montana Public Service Commission (Commission) seeking approval to transfer the assets of Communications Network Corporation a/k/a Conetco (Conetco) to WilTel.

WilTel is a wholly-owned subsidiary of WorldCom, Inc d/b/a LDDS World Com (WorldCom). WilTel is a facilities-based provider of interexchange services in 48 states, including Montana.

On July 1, 1996, Conetco's creditors, including WilTel, filed a petition for Chapter 11 involuntary bankruptcy against Conetco. On August 6, 1996, the Bankruptcy Court issues a Consent Order that mandated that Conetco 1) transfer its "1+" customer base free and clear of claims and interests to WilTel; 2) provide notice of such transfer to each of its "1+" customers as requested by WilTel; and 3) deliver to WilTel all customer records, billing records, payment records, documents, invoices, contracts, lease rights, network contracts, customer contracts or any other agreements related to the furnishing of "1+" long distance services by Conetco to its end users, and all computer tapes, disks or other media containing, describing or compiling information related to

any of the foregoing. As of August 6, 1996, WilTel began to acquire the above-described Conetco assets pursuant to the Bankruptcy Court's Consent Order.

The Applicant believes that this transaction is in the public interest. By transferring assets to WilTel, Conetco's customer base avoided any unnecessary interruption in the telecommunications service. The Applicant states that WilTel is fully qualified to provide high quality telecommunications services at competitive prices. The transfer will be largely transparent, leaving service unaltered. The transfer will allow WilTel to realize economies of scale, making it possible for WilTel to introduce new products and services.

FINDINGS

The Commission finds, based on the application, that the transfer of assets is in the public interest, and therefore, should be approved. The transfer will avoid unnecessary interruptions in service for Conetco's customers.

CONCLUSIONS OF LAW

1. The Commission has jurisdiction over all utility activities which affect a utility's duty to render "reasonably adequate services and facilities" at "reasonable" and "just" rates. § 69-3-201, MCA.

ORDER

IT IS THEREFORE ORDERED by the Commission that:

1. Effective immediately, the transfer of assets from Conetco to WilTel is approved.
2. Approval of the proposed transfer does not constitute determination or approval of any ratemaking issues.

DONE IN OPEN SESSION at Helena, Montana, this 29th day of October, 1996, by a 5 to 0 vote.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

NANCY McCaffree, Chair

DAVE FISHER, Vice Chair

BOB ANDERSON, Commissioner

DANNY OBERG, Commissioner

BOB ROWE, Commissioner

ATTEST:

**Kathlene M. Anderson
Commission Secretary**

(SEAL)

NOTE: Any interested party may request that the Commission reconsider this decision. A motion to reconsider must be filed within ten (10) days. See 38.2.4806, ARM.